

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking to Develop an  
Electricity Integrated Resource Planning  
Framework and to Coordinate and Refine  
Long-Term Procurement Planning  
Requirements.

Rulemaking 16-02-007  
(Filed February 11, 2016)

**COMMENTS OF COGENTRIX ENERGY POWER MANAGEMENT, LLC ON THE  
PRELIMINARY SCOPE OF ORDER INSTITUTING RULEMAKING**

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March 21, 2016

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Cogentrix Energy Power Management, LLC (“Cogentrix”) offers the following comments on the Preliminary Scoping Memo included in the *Order Instituting Rulemaking to Develop an Electricity Integrated Resource Planning Framework and to Coordinate and Refine Long-Term Procurement Planning Requirements* (“OIR”) issued on February 19, 2016.

Cogentrix operates and manages six natural gas-fired peaking generation facilities across the state of California totaling 409 megawatts of capacity. The facilities are located in San Diego, Escondido, Vacaville and the greater Fresno area. Five of the Cogentrix-managed facilities operate as merchant generators in the California Independent System Operator’s (“CAISO”) energy and ancillary services markets, and do not operate under any long-term power purchase agreements or any other form of long-term contract.

Cogentrix supports the scope of the proceeding but suggests the CPUC include an examination of existing conventional resources, and the continued role certain of those assets will play, in supporting the California power grid as the State strives to achieve its laudable renewable energy goals in the coming decades. In particular, the Scoping Memo raises multiple concerns around reliability and grid integration - important areas of consideration where existing

conventional generation plays a significant role. In weighing the constraints facing LSEs from an Integrated Resource Planning perspective such as GHG emissions, reliability and cost, existing resources need to be considered with respect to their ability to help achieve the stated goals.

Any evaluation of existing resources should be built, in part, around the valuation of certain key attributes of the generation. For example, resources that are fast-start and otherwise flexible should be given preference for the grid integration benefits that they provide. Depending on the flexibility and other characteristics of dispatchable generation resources, certain assets may better able to help achieve goals such as GHG emission reductions and should be evaluated on that basis.

Cogentrix also urges the CPUC not to fully close the door on any near-term procurement discussion in this proceeding. As the proceeding unfolds and modeling approaches, resource valuation methodologies and procurement process structuring are developed, there is always the possibility that such developments timely inform shorter term decisions.

Cogentrix submits that the CPUC require an evaluation of existing resources be part of the IRP process, which should include a valuation of flexible attributes. In addition, Cogentrix emphasizes that the risk of unplanned retirements, particularly of assets that are well suited to the grid's needs, could be counterproductive to the objectives established in SB350.

Respectfully submitted,

/s/

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